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2016 Report of the Division of Banking

Financial Literacy Education through Financial Institutions

In June 2013 the Iowa Legislature appropriated \$100,000 to the Iowa Division of Banking (IDOB) for providing financial literacy education through banks. Subsection 9(3) of HF 648 provides as follows:

3. DEPARTMENT OF COMMERCE — DIVISION OF BANKING For financial literacy education: \$ 100,000

a. DEFINITIONS For the purposes of this subsection, unless the context otherwise requires:

- (1) “Administrator” means the division of banking of the department of commerce.
- (2) “Financial institution” means a bank, bank holding company, savings bank, or savings and loan association organized under the laws of this state, another state, or the United States, approved for participation by the administrator.
- (3) “Operating organization” means an agency selected by the administrator for involvement in financial literacy education.

b. PROGRAM — ELIGIBILITY

- (1) The administrator shall utilize a request for proposals process for selection of operating organizations.
- (2) The selected operating organization shall administer a financial literacy education program through financial institutions to citizens of the state. The program shall include any of the following:
 - (a) Home buyer education.
 - (b) Financial literacy education for students in kindergarten through grade twelve and for college students.
 - (c) Financial literacy programs for entrepreneurs.
 - (d) Financial literacy teacher training.

c. By October 1, each year through October 1, 2016, the division shall submit a report to the general assembly detailing the expenditures made from the moneys appropriated in this subsection during the previous fiscal year.

d. Notwithstanding section 8.33, moneys appropriated in this paragraph that remain unencumbered or unobligated at the close of the fiscal year shall not revert but shall remain available for expenditure for the purposes designated until the close of the fiscal year beginning July 1, 2015.

The IDOB awarded financial literacy grants to TS Bank Institute and the Iowa Bankers Association.

TS Bank Institute is a non-profit organization that successfully partnered with several schools in the Green Hills AEA to enhance financial education by creating and implementing comprehensive K-12 financial literacy programs. It was awarded \$62,730 to work with financial institutions to replicate elements of this programming throughout the state in K-12 school districts and colleges. The amount of the award was changed in February 2016 so as not to exceed \$44,981.25. TS Bank Institute has been reimbursed for expenditures in the amount of \$27,483.84. TS Bank Institute's report of its activities pursuant to the grant is attached as Attachment A.

The Iowa Bankers Association (IBA) is the largest state banking association in the country, providing services to Iowa's banks. The IBA was awarded \$32,270 to provide financial literacy education for entrepreneurs, an area where there is an unmet need for practical financial education. The IBA developed a scholarship program to assist Iowa business owners with finding entrepreneurial and financial literacy training to effectively start, grow, and expand their operations. The amount of the award was changed in February 2016 so as not to exceed \$55,018.75. The IBA has been reimbursed for expenditures in the amount of \$46,704. A summary of the IBA's activities and expenditures pursuant to the grant is attached as Attachment B.

Attachment A

Iowa Division of Banking Report – Financial Literacy Bank Outreach Project

1. Number of financial institutions engaged to-date: 10
 - a. Institutions:
 - i. Farmers Savings Bank – Manchester
 1. Interested in 5th/6th grade computer simulation solutions for area elementary school. We provided information and resources to address that need as well as advice for the bank to engage the school district.
 - ii. Primebank – LeMars
 1. Interested in exploring a more comprehensive K – 12 program in some of the areas they have bank branches. We provided Primebank with our program overview and directed them to our website for ideas on content to create a robust K-12 program.
 - iii. Community Savings Bank – Edgewood
 1. Discussed overall financial literacy programming options for elementary, middle and high schools in Edgewood.
 - iv. Manufacturer’s Bank and Trust – Forest City
 1. Spoke with bank CEO about the various elements of our program. He said he would review our website and contact me with any further questions.
 - v. Mediapolis Savings Bank - Mediapolis
 1. Discussed high school banking with members of their leadership team. Explained our process and the results we have had to-date. The bank has since opened their own middle/high school bank.
 - vi. Community Bank Iowa - Logan
 1. Spoke with bank regarding our program and provided resources to assist school districts her bank branches serve.
 - vii. First Iowa State Bank - Albia
 1. Spoke in detail with the leadership team about establishing an elementary school banking program in Albia.
 - viii. Bank First – West Union
 1. Provided information on curriculum sources and after school programming. Bank First was primarily interested in getting involved at the elementary school level with Junior Achievement and in-school banking.
 - ix. Quad Cities Bank and Trust - Davenport
 1. Discussed programming options with John Anderson and Jill Dubin. They were interested in high school engagement as well as in-school banking.
 - x. City State Bank - Grimes
 1. Spoke with Phil Kennedy about some elementary and middle school programming CSB can do to interact with the Grimes School District.
2. Number of Iowa citizens receiving financial literacy education: TBD
 - a. TS Institute has not received information from the banks it has engaged relative to the total population served. This information was expected to be made available for the final reporting period.

3. Names of counties in which financial education programming has been discussed/implemented:
 - a. Delaware
 - b. Plymouth
 - c. Hancock
 - d. Winnebago
 - e. Des Moines
 - f. Monroe
 - g. Harrison
 - h. Fayette
 - i. Scott
 - j. Polk
4. Presentations outlining TS Institute's financial literacy program and free financial literacy resources were given in the following communities in conjunction with the Area Education Agency in each community:
 - a. Dubuque
 - b. Delhi
 - c. Cedar Falls
 - d. Marshalltown
 - e. Grinnell
 - f. Waukon
 - g. Decorah
 - h. Elkader
 - i. West Union
 - j. Oelwein
 - k. New Hampton
 - l. Charles City
 - m. Clear Lake
 - n. Burlington
 - o. Mount Pleasant
 - p. Fairfield
 - q. Ottumwa
 - r. Albia
 - s. Newton
 - t. Knoxville
 - u. Indianola
 - v. Johnston
 - w. Adel
 - x. Algona
 - y. Webster City
 - z. Fort Dodge
 - aa. Carroll
 - bb. Denison
 - cc. Estherville
 - dd. Spencer
 - ee. Pocahontas
 - ff. Cherokee
 - gg. Storm Lake
 - hh. Sioux Center
 - ii. Le Mars

jj. Sioux City
kk. Onawa
ll. Missouri Valley
mm. Ames
nn. Jefferson
oo. Guthrie Center
pp. Atlantic
qq. Avoca
rr. Osceola
ss. Creston
tt. Red Oak
uu. Glenwood
vv. Council Bluffs

Addendum to TS Bank Institute Report

The most recent information the Iowa Division of Banking received from TS Bank Institute about its efforts included this information:

We have had some movement in the program relative to banks we've been engaging, but the ability to extract data from them has been difficult as most of the participants seem to be quite early in their programming stages and are in "data collection" mode. We've spent time providing resources and offering suggestions on ramping up programs but we'll need to facilitate a more thorough follow up to determine what data would be available in terms of implemented programs and students impacted.

Attachment B

Financial Literacy Scholarship Program Report



The Iowa Bankers Association has prepared the following report for the Iowa Division of Banking to meet the annual reporting requirements for the financial literacy grant awarded in February 2014 (as defined in HF 648).

- **Report Date:** June 30, 2016

- **Reporting Period:** Program Activity for the Period of March 1, 2014 to June 30, 2016

- **Number of Participating Financial Institutions:**
 1. **Dubuque Bank & Trust** - approved 3/25/14 for an amount of \$1,000 for to provide a training seminar by Profit Mastery to a group of small businesses June 10-11, 2014, at the bank.
 2. **Vision Bank of Iowa, Ogden** - approved 7/15/14 for an amount of \$1,000 to provide CPA consultation by Rose Hubby to Heartland Gaskets, a restaurant refrigerator and freezer repair company in Ogden.
 3. **State Savings Bank, Bedford** - approved 7/30/14 for an amount of \$1,000 to cover facilities costs to provide a 3-4hour lecture by Tom Eggers of Iowa State University and the Farm Services Agency on the new/revised Farm Program will impact area farm owners and operators in early September 2014 at the local American Legion Hall.
 4. **U.S. Bank, Des Moines** - approved 8/21/14 for an amount of \$1,000 to cover accounting and business training provided by Deloitte & Touche for a group of small to mid-sized businesses.
 5. **Community Bank and Trust, Waterloo** - approved 12/2/14 for an amount of \$1,000 to cover costs to provide a business and legal education seminar (on the topics of creating legal entities, liability protection, structuring organizations and Q&A session) to be hosted by Beecher Law Firm attorney for small businesses participating in UNI's Incubator Program.
 6. **State Bank, Spencer** - approved 1/30/15 for an amount of up to \$1,000 to cover cost to provide a seminar relating to inheritance strategies, trust planning and succession planning for agricultural producers and landowners facilitated by Security National Bank Wealth Management.
 7. **First National Bank, Ames**- approved 3/17/15 for \$1,000 to cover speaker fees and lunch costs to provide two cybersecurity seminars in May focused on small businesses and provided by Gabriel Glynn, Partner at Interactive Shift.

8. **U.S. Bank, Des Moines** - approved 6/4/15 for \$1,000 to provide a small business financial literacy seminar by Profit Mastery.
9. **Community Bank of Oelwein** - approved 7/6/15 to provide a small business training program through the UNI SBDC.
10. **Wells Fargo Bank, Des Moines** - approved 8/12/15 to provide business finance training from an accounting firm to 50 women and minority-owned business owners.
11. **U.S. Bank, Des Moines** - approved 2/15/16 to provide a Profit Mastery seminar for \$5,000. Invoice received and submitted 4/12/16 for seminar.
12. **Iowa State Bank, Des Moines** - approved 2/15/16 to provide a cybersecurity seminar for \$5,000. Invoice received and submitted 3/10/16.
13. **First National Bank, Waverly** - approved 2/15/16 to provide a Profit Mastery seminar for \$5,000. Invoice received and submitted 4/12/16.
14. **Century Bank, Shenandoah** - approved 2/15/16 to provide a farm seminar for \$3,000. Invoice received and submitted 2/22/16.
15. **Security National Bank, Sioux City** - approved 2/18/16 to provide a cybersecurity seminar for \$5,000. Invoice received and submitted 2/29/16.
16. **Guaranty Bank, Cedar Rapids** - approved 2/26/16 to provide a Profit Mastery seminar for \$5,000. Invoice received and submitted 4/12/16.
17. **Primebank, Lemars** - approved 3/11/16 to provide an SBS cybersecurity seminar for \$5,000. Invoice received and submitted 5/16/16.
18. **Farmers Savings Bank, Marshalltown** - approved 3/14/16 to provide a cybersecurity seminar. Invoice received and submitted 3/25/16.

- **Number of Iowa Citizens Receiving Financial Literacy**

- Education Through the Program: 519+**

- o Dubuque Bank & Trust reported having 31 registrants for the event.
- o Vision Bank of Iowa reported helping 1 Iowa business.
- o State Savings Bank reported having 138 farm owners / operators attend their event.
- o U.S. Bank reported having 21 business owners attend their first event
- o Community Bank and Trust estimates at least 13 small businesses are likely to participate.
- o State Bank in Spencer has completed its group seminar, and reported 48 attendees.
- o First National Bank in Ames completed its seminar, and reported 25 attendees.
- o U.S. Bank reported having 72 attendees at their second event.

- o Community Bank of Oelwein reported having 8 attendees at their event
- o Wells Fargo Bank in Des Moines completed its seminar, and reported 7 attendees.
- o U.S. Bank reported having 65 attendees at their third event.
- o Farmers Savings Bank in Marshalltown reported having 50 attendees.

Note: 6/29/16 - Requested attendance reports from remaining grant recipients.

- **List of Iowa Counties in which Iowa Citizens Receiving Benefits Resided:**

- o Dubuque
- o Boone
- o Taylor
- o Polk
- o Black Hawk
- o Clay
- o Story
- o Polk
- o Fayette
- o Bremer
- o Freemont
- o Page
- o Woodbury
- o Linn
- o Plymouth
- o Marshall

- **Performance Standard and Metrics To Date:**

2014:

- o **March** - Dubuque Bank & Trust application approved March 25 by the IBA Management Committee
- o **April** - The IBA provided information about the program at the Day with the Superintendent April 17 and in the April issue of its *Iowa Bankers Exchange* publication that is distributed to all member banks. IBA staff also held an exploratory conversation with Quad City Bank & Trust about potentially using the program
- o **May** - The IBA provided information about the program at the IBA Marketing Conference May 1, IBA Marketing Peer Group meeting May 22, and at all of the IBA Group Meetings (Nine group meetings were held across the state May 5-21). IBA staff also answered inquiries about the program from Hills Bank and Trust Company in Iowa City and Community Bank in Indianola.
- o **June** - The IBA sent an email communication to 1,279 Iowa bank commercial lenders to promote the availability of the scholarship for their business loan customers on June 27. The IBA received an

additional inquiry from First Trust and Savings Bank, and an application from Community Bank in Indianola. The application for Community Bank was denied as it was for training to be provided by a bank-paid employee rather than a third party financial literacy training resource.

- o **July** - The IBA Management Committee approved scholarship applications for Vision Bank of Iowa on July 15 and State Savings Bank on July 30. Both banks were also featured in the IBA eNewsletter upon receiving their approvals to encourage additional banks to apply. IBA also processed a payment of \$1,000 for Dubuque Bank & Trust's financial literacy program expenses.
- o **August** - The IBA Management Committee approved scholarship applications for U.S. Bank on August 21. State Savings Bank also submitted their food expenses for their event, and the IBA processed a check to the bank to cover up to \$1,000 of their expenses. The IBA also promoted the program in its Aug. 29 eNewsletter.
- o **September** - The IBA promoted the program in its Sept. 12 eNewsletter. IBA also processed a payment of \$1,000 for State Savings Bank's program expenses.
- o **October** - The IBA promoted the program at its annual Commercial Lending School in Cedar Rapids. The IBA also provided its board of directors with update on the program at their October board meeting and encouraged their support in promoting the program at their own banks. US Bank also held its financial literacy training seminar reaching 21 additional businesses, and submitted their expenses for the event; the IBA processed payment for U.S. Bank's financial literacy scholarship expenses. Vision Bank also submitted expenses, and IBA processed payment of \$1,000 for those expenses as well.
- o **November** - The IBA conducted additional promotions of the grant program through an email blast to graduates of the IBA Commercial Lending School.
- o **December** - The IBA Management Committee approved another scholarship application for Community Bank and Trust in Waterloo on Dec. 2, and also promoted the grant program again to all IBA member banks in its Dec. 5 eNewsletter.

2015:

- o **January** - Application approved for State Bank in Spencer on Jan. 30 by the IBA Management Committee. IBA also promoted the grant program in its member eNewsletter on Jan. 23.
- o **February** - IBA ran an eNewsletter article on Feb. 6 featuring the grant award to State Bank in Spencer and to encourage other banks to apply.
- o **March** -First National Bank in Ames' application for a grant to provide a cybersecurity seminar was approved. IBA also promoted the availability of the grant again in its March 13 eNewsletter to bank members.

- **April** - IBA received receipts from State Bank in Spencer for their program expenses, along with a report from the bank that they reached 48 attendees with their program, and processed a check for \$1,000 to cover these expenses
- **May** - IBA reimbursed Community Bank & Trust for their financial literacy program expenses totaling \$900.
- **June** - IBA approved a new application for U.S. Bank in Des Moines to provide a Profit Mastery session. First National Bank in Ames reported having 25 attendees at their event in May, and submitted expenses for \$822.48.
- **July** - Approved application for Community Bank of Oelwein. Met with Wells Fargo to discuss the grant program, and received application for Wells Fargo Bank.
- **August** - Approved application for Wells Fargo Bank. Also promoted the program again to all IBA member banks in the Aug. 28 issue of our eNewsletter, featuring the grant award to Wells Fargo and encouraging other banks to apply.
- **September** - Wells Fargo Bank has reported it has set a date for its training event, scheduled for Oct. 8, 2015, in Des Moines. Also have scheduled a meeting with the IBA Management Committee for the week of Oct. 27 to brainstorm additional ideas for promoting the grant to member banks.
- **October** - Wells Fargo Bank held its training event.
- **November** - Wells Fargo reported reaching seven minority and women owned business owners with its October training event. U.S. Bank submitted expenses for its Nov. 10 Profit Mastery session to IBA to be reimbursed. Promoted the financial literacy grant program to IBA member banks in the Nov. 13 and Nov. 20 IBA e-newsletters.
- **December** - Community Bank of Oelwein submitted expenses from UNI Business Center for conducting financial literacy seminar to be reimbursed.

2016:

- **January** - Evaluated options for using the remaining grant funds, including increasing the grant amount and offering access to courses through community colleges, Profit Mastery or cybersecurity trainers. Conducted survey of bank members to get feedback on grant program.
- **February** - Launched a new promotion for the grant - increasing the award amount per bank from \$1,000 to \$5,000 and providing banks with information on possible Profit Mastery and Cybersecurity seminars that could be used with grant funds. We announced the new promotion at our February bank peer group meetings and in our Feb. 4 eNewsletter to IBA members. On Feb. 8, we also received an additional grant allocation from the TS Institute - increasing our total grant amount to \$56,846.42. In

the month of February, following the promotion, we received eight new grant applications.

- **March** - We received an additional grant application and received several invoices and receipts for payment for grants approved in February.
- **April** - Received invoices and submitted check requests for events from US Bank - Des Moines, First National Bank - Waverly, and Guaranty Bank - Cedar Rapids.
- **May** - Received and submitted invoice for PrimeBank - LeMars. (All grant recipient invoices received/paid as of May 2016)
- **June** - Sent reminder to grant recipients not yet providing seminar attendance reports to provide reports.